

O2019-1398 Redevelopment agreement with NP Avenue O, LLC
Mayor Rahm Emanuel **Finance**

Intro Date: March 13, 2019

Headline: Establishes a redevelopment agreement with NP Avenue O, LLC for the 116th/Avenue O TIF.

Background: The 116th/Avenue O TIF was established by ordinance on October 31, 2018. The last reported fund balance from the Lake Calumet TIF was \$9.9 million and is anticipated to receive approximately \$2.3 million annually in property tax revenue.

Summary: The ordinance establishes a redevelopment agreement with NP Avenue O, LLC for the 116th/Avenue O TIF. The developer is planning on constructing industrial and distribution center space that could range in size from 358,000 square feet to 2.2 million square feet. New streets will be needed to serve the facility, which will include extensions of South Burley Avenue and East 122nd Street. The plan includes jobs goals after the completion of the project that range from 108-660 FTEs depending on the size of the facility. The first building is scheduled to be completed by December 31, 2020.

Phase I of the project is anticipated to cost \$40.7 million. Future potential phases of the redevelopment are estimated to cost \$123.7 million. The TIF funds used for the total project will be capped at the lesser of 100% of TIF eligible costs, 29.9% of the total project cost, or \$42.4 million. The developer costs where they would maximize their reimbursement would be \$141.8 million. In addition, the TIF funds eligible to be used for the streets portion of the project is up to \$9.6 million unless the project is not completed until after 2024, the scheduled expiration of the Lake Calumet TIF.

Immediate Fiscal Impact: Up to \$52 million of TIF funds over the life of this project.

Long-Term Fiscal Impact:

Co-sponsors:

Additional Considerations: